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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/643,274	08/22/2000	Adam Hall	ICLS 1001-2	8657
22470	7590	09/13/2004	EXAMINER	
HAYNES BEFFEL & WOLFELD LLP P O BOX 366 HALF MOON BAY, CA 94019			SMITH, JEFFREY A	
			ART UNIT	PAPER NUMBER
			3625	

DATE MAILED: 09/13/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

<b>Office Action Summary</b>	<b>Application No.</b>	<b>Applicant(s)</b>
	09/643,274	HALL ET AL.
	<b>Examiner</b> Jeffrey A. Smith	<b>Art Unit</b> 3625

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) Responsive to communication(s) filed on 12 April 2004.
- 2a) This action is **FINAL**.                                    2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) Claim(s) 1-25,27-33 and 50 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 1-25,27-33 and 50 is/are rejected.
- 7) Claim(s) \_\_\_\_\_ is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on 12 April 2004 is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) All    b) Some \* c) None of:
  1. Certified copies of the priority documents have been received.
  2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)	4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s)/Mail Date. _____.
2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)	5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)
3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date _____.	6) <input type="checkbox"/> Other: _____.

**DETAILED ACTION**

***Response to Amendment***

The response filed 12 April 2004 is acknowledged and entered. Such response amends claims 1-8, 10, 11, 15, 16, 18, 19, 21-25, 28, 29, 31, 32, and 33; cancels claims 26, and 34-49; and adds claim 50. Claims 1-25, 27-33, and 50 are pending and an action on the merits follows.

***Drawings***

The drawings were received on 12 April 2004. These drawings are approved.

***Specification***

Applicant is reminded of the proper language and format for an abstract of the disclosure.

The abstract should be in narrative form and generally limited to a single paragraph on a separate sheet within the range of 50 to 150 words. It is important that the abstract not exceed 150 words in length since the space provided for the abstract on the computer tape used by the printer is limited. The form and legal phraseology often used in patent claims, such as "means" and "said," should be avoided. The abstract should describe the disclosure sufficiently to assist readers in deciding whether there is a need for consulting the full patent text for details.

The language should be clear and concise and should not repeat information given in the title. It should avoid using phrases which can be implied, such as, "The disclosure

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concerns," "The disclosure defined by this invention," "The disclosure describes," etc.

The legal phraseology "means" is noted in the Abstract.

Such legal phraseology should be avoided.

***Claim Rejections - 35 USC § 102***

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless -

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-3, 9, 10, and 29-33 are rejected under 35 U.S.C. 102(e) as being anticipated by Ginter et al. (U.S. Patent No. 6,185,683 B1).

Preliminary note: The Examiner acknowledges that the Ginter references is quite voluminous, however, its entire disclosure is relied upon. Nonetheless, the most remarkable portions are as follows: cols. 22-55, and in particular, cols. 54-55; and Figures 99-130A, and in particular, Figures 130 and 130A. Applicant's attention is directed primarily to what Ginter et al. refers to as a "trusted electronic 'go-between' or intermediary" (4700: introduced at col. 22, lines 49-54).

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Ginter et al. discloses a method of clearing conditions for closing a real estate transaction (col. 54, lines 16-17). The method comprises registering with a closing server (4700: see col. 23, lines 1-5; and col. 44, lines 14-20) digital identifications of parties to a real estate transaction (col. 55, lines 3-8); building a transaction database including a plurality of agreed closing conditions for the real estate transaction (col. 54, lines 29-37); under control of the closing server, repeatedly interacting with one or more of the parties identified by one or more of the registered digital identifications and receiving an instruction to clear one or more conditions (col. 54, line 65-col. 55, line 3); and closing the real estate transaction after all of the conditions have been cleared (col. 55, lines 23-31). Ginter et al. further discloses establishing an electronically accessible trust account and receiving and disbursing funds from the electronically accessible trust account to settle accounts at closing (col. 54, lines 40-45; and col. 55, lines 33-41).

The closing step includes causing a deed to be digitally signed and electronically recorded (col. 55, lines 46-49).

**Claim Rejections - 35 USC § 103**

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims 4-8, 24, 25, 27, 28, and 50 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ginter et al. (U.S. Patent No. 6,185,683 B1) in view of Broerman (U.S. Patent No. 6,594,633 B1).

Ginter et al. does not disclose that the closing conditions set deadlines for clearing the condition. The Ginter method, however, is disclosed in order to accomplish a real estate transaction according to conditions defined by contract parties (col. 54, lines 16-37).

Broerman discloses a method of clearing conditions for closing a real estate transaction (see Abstract). Steps include registering digital identifications of parties (col. 6, lines 34-36); entering a plurality of agreed closing

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instructions including a plurality of conditions (col. 8, lines 20-34); repeatedly receiving the digital identification from one of the parties and an instruction to mark one or more conditions as cleared (col. 15, lines 60-61); and closing the real estate transaction when all of the conditions have been marked as cleared (col. 8, lines 56-65).

The Broerman method further includes entering passive conditions and corresponding passive conditions deadlines (such as failing to set a closing date: col.16, lines 22-35). Deadlines for contingencies and extensions for deadlines are discussed at col. 15, line 60-col. 16, line 42.

It would have been obvious to one of ordinary skill in the art to have established deadline conditions (of the type taught by Broerman) in order to have defined a transaction which considers the myriad of scheduling details that occur in negotiating and closing a purchase contract for real estate property (col. 1, 50-59).

Regarding claim 50: The combination of Ginter et al. and Broerman does not teach interacting with another of the parties, identified by another of the registered digital identifications, and receiving a concurrence in the instruction to extend the deadline. However, it is viewed that such interaction and concurrence amounts to the renegotiation of the terms of an

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original contract and, accordingly, the rules used by the "trusted go-between" of Ginter et al.--the original rules having already been agreed-upon by the original contract parties. To this end, Broerman teaches that the passing of deadlines can result in a determination being made as to whether the missed deadline will be waived or otherwise rescheduled by a non-breaching party (col. 16, lines 22-35).

It would have been obvious to one of ordinary skill in the art to have provided the combined method of Ginter et al. and Broerman to have included the interaction of the breaching party (for instance) for concurrence in the extension or rescheduling of a missed deadline in order to have agreed-upon the conditions of the contract as newly renegotiated.

Claims 11-23 are rejected under 35 U.S.C. 103(a) as being unpatentable over Ginter et al. (U.S. Patent No. 6,185,683 B1) in view of Klein, Jeffrey S.: "Ending Confusion on Real Estate Terms", The Los Angeles Times [Home Edition], Feb. 25, 1988, page 7 (hereafter referred to as "Klein").

The Ginter method does not disclose that a title insurance condition is entered. The Ginter method, however, is disclosed in order to accomplish a real estate transaction according to conditions defined by contract parties (col. 54, lines 16-37).

It is noted that Ginter et al. teaches that the "trusted go-between 4700 may need to coordinate with a lawyer 5046 to ensure that the title to the property for sale is clear and unencumbered" (col. 54, lines 59-61).

Now comes Klein. Klein reports that customary advice from real estate experts includes terminology that is commonly referred to as "title insurance" (which is an insurance policy on the title search). Such title insurance is a mutable contingency.

It would have been obvious to one of ordinary skill in the art to have provided the method of Ginter et al. to have included a step of including a title insurance condition in order to have defined a transaction which included insurance covering losses from encumbrances that were not found, but should have been found, during the title search (see Klein: "Title insurance").

Regarding claims 12-19, 22, and 23: These claims recite specifics regarding the form and requirements of agreeing to and executing a particular title insurance policy order. As the nature of real estate transactions vary widely, so does the nature of the form and requirements of any given title insurance agreement. Although the specifics recited in these claims are not provided by the Ginter et al./Klein combination, it would

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have been obvious to one of ordinary skill in the art to have provided the specific title insurance condition recited and to have negotiated such in a manner already disclosed by Ginter et al. with regard to other conditions in order to have facilitated a complete transaction as arrived at by the negotiating parties. The particular form and requirements of the agreement would have represented one possible combination of the numerous combinations that the skilled artisan would have found obvious for the purposes already taught by Ginter.

***Response to Arguments***

Applicant's arguments filed 12 April 2004 have been fully considered but they are not persuasive.

Regarding the objection to the Abstract: The Examiner notes that the original grounds for the objection can be found at line 1 of page 3 of the Office action mailed 08 December 2003. The objection is on the basis that the term "means" should be avoided in the Abstract.

Regarding the rejection of the claims under 35 USC 101: The rejection is obviated in view of Applicant's successful amendment to the claims.

Regarding Broerman: Applicant's arguments directed to Broerman are persuasive to the extent that conditions are not cleared under the control of the closing server (as now amended). However, Broerman is still otherwise relied upon for its teachings regarding the establishment of, and subsequent clearing of, conditions established as a result of a real estate transaction and the conditions which govern its closing.

Regarding claims 13 and its dependent claims: The Examiner has considered these claims and has addressed them in the rejections relied upon above. The role of the Ginter et al. server in establishing workflow and in clearing conditions is established. Klein is relied upon for its teaching of the good-sense reliance on title insurance in prior art real estate transactions.

#### ***Conclusion***

Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

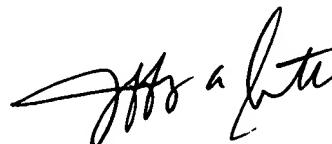
A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jeffrey A. Smith whose telephone number is 703-308-3588. The examiner can normally be reached on M-F 6:30am-6:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Wynn Coggins can be reached on 703-308-1344. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



Jeffrey A. Smith  
Primary Examiner  
Art Unit 3625

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